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> > August 26, 2002

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Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

Re:

HEARING APPLICATION

Hosston Formation, Reservoir A

Cotton Valley Formation, Reservoir A

Elm Grove Field

Bossier Parish, Louisiana

Our File No. 430071.0013

Dear Sir:

On behalf of QUESTAR EXPLORATION AND PRODUCTION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Hosston Formation, Reservoir A and Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana:

- To permit the applicant to drill, designate and utilize the Questar Exploration and 1. Production Company - Holland 33 No. 3-Alt. Well, at the exceptional location shown on the plat attached hereto, and to designate said well as an alternate unit well for HOSS RA SU2, and an alternate unit well for CV RA SU2, in exception to the well spacing provisions of Office of Conservation Order 361-A-1, effective October 1, 1972, and Order No. 361-B, effective October 1, 1973.
- To explicitly find that the abovesaid well is necessary to drain a portion of the 2. Hosston Formation, Reservoir A, and Cotton Valley Formation, Reservoir A, in the Elm Grove Field underlying HOSS RA SU2 and CV RA SU2, respectively, which cannot be efficiently and economically drained by any existing well in such units.
- To consider such other matters as may be appropriate and justified by the evidence 3. presented at the hearing.

Conservation Commissioner August 26, 2002 Page 2

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$1,400.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

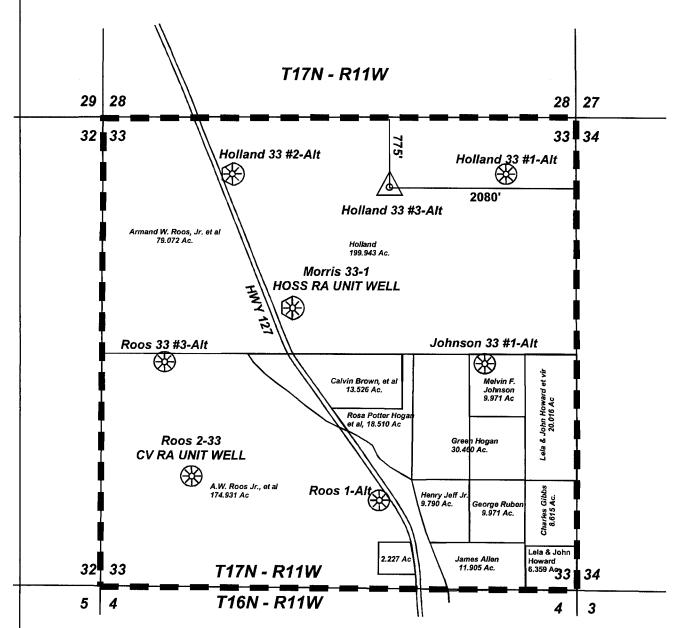
BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII/bp Enclosures Wm. Timothy Aller III

Attorneys for Questar Exploration and Production Company

cc: Mr. James C. Broussard, Shreveport District Manager,
Office of Conservation (w/enclosures)
Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

BOSSIER PARISH, LOUISIANA



PLAT SHOWING:
QUESTAR EXPLORATION AND PRODUCTION COMPANY
CV RA SU2; HOSS RA SU2 HOLLAND 33 #3-ALT

CV RA UNIT PRODUCTION	QUESTAR
O HOSS RA UNIT PRODUCTION	EXPLORATION AND PRODUCTION COMPANY
PROPOSED CV RA AND HOSS RA	ELM GROVE FIELD
	PROPOSED ALTERNATE UNIT WELL
UNIT OUTLINE	HOSS RA SU2 & CV RA SU2
	DOCKET NO.
	EXHIBIT NO.